

**BOULT
CUMMINGS
CONNERS
& BERRY** PLC

REC'D TN
REGULATORY AUTH.

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July 30, 1999

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

**RE: *Proceeding for the Purpose of Addressing Competitive Effects
of Contract Service Arrangements Filed by BellSouth
Telecommunications, Inc. in Tennessee***
Docket No. 98-00559

Dear David:

Please find enclosed the original and thirteen copies of the Testimony of Margaret K. Brown which we would appreciate your filing in the above-captioned proceeding on behalf of NEXTLINK.

Thank you for your assistance in this matter.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:


Henry Walker

HW/th

Enclosures

cc: All Parties of Record

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

**IN RE: Proceeding for the Purpose of Addressing Competitive Effects of Contract
Service Arrangements Filed by BellSouth Telecommunications, Inc. in
Tennessee**

Docket No. 98-00559

TESTIMONY OF MARGARET K. BROWN

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Q: State your name and occupation.

A: My name is Margaret K. Brown, Regional Manager of Major Accounts for NEXTLINK. I am responsible for major account sales both locally and in other Southeast states served by NEXTLINK.

Q: What is the purpose of your testimony?

A: I want to describe our company's efforts to try to offer service to the customer named in BellSouth contract TN-98-2766-00 ("financial institution") and the customer in contract KY-98-4958-00 ("the Store").

Q: First, describe your background in telecommunications.

A: For twenty-five years, I have worked in telecommunications sales and technical training in voice, video, and network architecture. During most of that time, I worked for BellSouth Business Systems. A copy of my resume is attached.

Q: Please describe your efforts to offer NEXTLINK services to the financial institution.

A: In November, 1998, I contacted the manager of voice communications. I was informed that the financial institution had used BellSouth for all local telephone service because of a contract between the financial institution and BellSouth. I was then referred to the data manager. On January 8, 1999, I talked to the data manager. As a result, in part, of that conversation, NEXTLINK subsequently installed fiber optic lines to the customer's premises and inside the customer's building. This line is used solely as an access line to

1 connect the customer to a long distance carrier. In fact, the long distance carrier is the
2 customer-of-record for that line.

3 Q: Have you been able to provide any other service to the financial institution?

4 A: No. I met again with the data manager in May of this year. Since we already have a wire
5 on the premises, it would be logical for us to provide other services. The data manager
6 said he wanted diverse carriers for all necessary services so that if the carrier went down,
7 the financial institution would stay on line. But he said that, because of the contract with
8 BellSouth, they are locked in and cannot use anyone else for local service.

9 Q: What about offering service to the Store?

10 A: In February, 1998, the voice manager at the Store's regional office told me that the Store
11 is under contract to BellSouth and can't consider anyone else. In March, 1998, I was told
12 by the voice manager of a local store that he would like to use our service because it was
13 cheaper but that corporate had taken the matter out of his hands.

14 Q: Are these experiences unusual?

15 A: No. I am aware, both personally and through conversations with other sales
16 representatives, that there are other large customers who would like to give us a portion
17 of this business but can't do so because they are locked into long-term contracts with
18 BellSouth.

19 Q: Can't NEXTLINK offer the same package of services as BellSouth?

20 A: Not as a practical matter. Many of these customers have multi-state locations. Although
21 NEXTLINK is certified in several BellSouth states, we cannot offer facilities-based service
22 in all areas. BellSouth, of course, as the incumbent provider, offers service throughout

1 the region. It's unlikely that a competitor who has recently entered the market will be able
2 to offer a full array of services to every location in the BellSouth region. By taking
3 advantage of its status as the incumbent provider, BellSouth is locking large customers into
4 long-term contracts before competition has a chance to develop.

5 Q: How does this hurt customers of Tennessee?

6 A: It means that customers with locations in Tennessee may not be able to use NEXTLINK's
7 services simply because NEXTLINK is unable to provide facilities-based service to that
8 customer's locations in another state. BellSouth is using its market power in other states
9 to maintain market power in Tennessee.

10 Q: Is there anything else about these Volume and Term contracts that hurts Tennessee
11 consumers?

12 A: Yes. In effect, a Volume and Term contract is an exclusive use agreement. The customer
13 is penalized if he obtains any portion of his local telephone service from another carrier.

14 With large customers, competitors like NEXTLINK typically start by looking for
15 an entry point to the customer. We might sell an ISDN line to one customer or a T-1 data
16 line to another. It would be unusual to expect a large customer to switch all his service to
17 a new entrant right away. Through these exclusive use agreements, BellSouth is able to
18 monopolize all the customer's services for the life of the contract. Here again, BellSouth
19 is using its status as the incumbent to artificially maintain its monopoly status.

20 Q: What do you believe the TRA should do?

21 A: I'm not an economist or an expert in telecommunications policy. But I've been in sales for
22 twenty-five years. If BellSouth is allowed to sign-up big customers to long-term, exclusive

1 use contracts, it will take a very long time, if ever, for local competition to benefit those
2 customers.

3 Consumers should be given more choices, not fewer choices. The best way to
4 make that happen is for the TRA to allow customers who are locked into these Volume and
5 Term contracts to obtain service from other providers without having to pay a penalty
6 or pay BellSouth for services the customer is no longer using.

7 Q: Does that complete your testimony?

8 A: Yes.

MARGARET K. BROWN
666 Clearbrook Drive
Nashville, Tennessee 37205
Residence (615) 356-5768

SUMMARY

Twenty-five years experience in Telecommunication Sales and technical training in voice, data, video and network architecture. Extensive experience managing sales groups and team projects. Particular emphasis in Account Management for State, Federal and local government in voice, data and video networking.

PROFESSIONAL EXPERIENCE

NEXTLINK, Nashville, TN (11/97 to PRESENT)

Regional Manager-Major Accounts

Responsible for sales and customer retention for Major Accounts. Both local and the Southeast Region.

BELLSOUTH BUSINESS SYSTEMS, (BBS) Nashville, TN (1973-1996)

Regional Campaign Manager (Presidential 1996)

Served as the BellSouth representative to the Dole/Kemp and Clinton/Gore campaign offices and press services. Managed the employees and processes to ensure the accuracy and timeliness of service installations, order processing, billing, disconnections and collections.

- All requests were met on time and all Federal regulations were followed.
- Designed an office space utilization plan in the BellSouth Tower to accommodate the new downsized organization.

Regional Account Manager, State of Tennessee-Government Account (1984 – 1995)

Responsible for project management and implementation of voice, data, network or hardware that was designed, sold, ordered and billed for the Tennessee State Government Communication Account. Assisted with University of Tennessee and Federal Government interconnectivity into the State's network. Projected the need for various network services. Managed direct sales and technical employees and non-direct reports.

- Proposed initial design criteria for Survivable Emergency Network for West Tennessee to avoid data and voice interruption resulting from earthquakes and other disasters. Planned the same type of redundant network in Middle and East Tennessee related to natural hazards and technological disasters.
- Managed the design of a router-based connectionless data service to provide connectivity for the Tennessee Board of Regents.
- Negotiated, designed and implemented special contracts that substantially reduced the cost of the State's voice telephone service while increasing its value to the users.
- Initiated the planning and installation of a redundant tandem network (central office switching) in the West Tennessee area.
- Implemented the initial design for TennCare applicant call processing.

TECHNICAL TRAINING AND EDUCATION

Network Technologies
Wireless Communications Overview (WCO)
WCO-DL Wireless Communications Overview
Frame Relay & SMDS
Data Communications Systems
Test: Intro to Voice and Data Equipment
Selling Hybrid Voice Systems & PBS
Wideband Services Workshop
Selling Basic Key Systems & Misc. Products
Pulselink Service Workshop
Test: Intro to Voice and Data Equipment

Developing Park Performance
Applied Strategic Account Planning
Project Management Techniques
Performance Management
Needs Satisfaction Selling
Strategic Performance (Manager of Managers)
Sales Management Coaching System
Marketing Orientation
Sales Manager Workshop
Advanced Selling Skills
FlexServ Workshop Selling-An Approach

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been hand delivered or mailed to the following persons on this 30th day of July, 1999.

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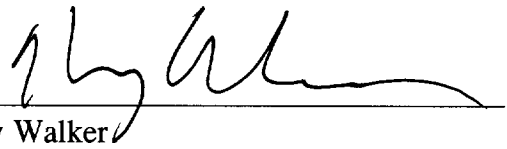
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